

Message Text

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PAGE 01 KHARTO 02067 141211Z

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ACTION AF-18

INFO OCT-01 ISO-00 NEA-10 SPC-03 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02

AGR-20 CIAE-00 DODE-00 INR-10 NSAE-00 PA-03 USIA-15

PRS-01 L-03 COME-00 DRC-01 /155 W

----- 093084

R 141125Z SEP 73

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 7105

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E.O. 11652: N/A

TAGS: ETRD, EAGR, SU

SUBJ: SUDANESE WHEAT PURCHASES

REF: KHARTOUM 1604 AND SUBSEQUENT

1. PRESS SEPT. 11 ANNOUNCED THAT GOS HAD CONTRACTED TO PURCHASE 75,000 TONS WHEAT AT PRICE \$240.90 PER TON FOR TOTAL COST OVER \$18 MILLION. ARTICLE WENT ON TO NOTE THAT CURRENT PRICE COMPARED TO \$65 PER TON PAID LAST YEAR (SIC). EMBASSY INQUIRY WITH GOS CONFIRMED THAT WHEAT IN QUESTION WOULD BE FROM US UNDER CONTRACT OFFERED BY US FIRM TRADEX (WORKING THROUGH CARGILL). IN FACT, CONTRACT, WHILE UNDER CONSIDERATION, NOT YET SIGNED AS FINANCING STILL UNCERTAIN. GOS SOURCE NOTED THAT GOVERNMENT HAD ALREADY USED UP REMAINDER OF CCC CREDITS WITH PURCHASE OF 20,000 MT ON AUGUST 7, (PRICE OF \$208 PER TON).

2. COMMENT: GOS LIKE OTHERS CLEARLY CAUGHT IN SQUEEZE WHICH HAS SEEN PRICE ITS WHEAT PURCHASES RISE FROM \$65 IN FALL 1971, TO VICINITY \$95 IN NOVEMBER 72 TO \$117 IN APRIL/MAY THIS YEAR TO LATEST TWO PRICES. FACT THAT GOVERNMENT SERIOUSLY CONSIDERING PROCEEDING WITH CURRENT TRANSACTION WITHOUT CCC CREDITS SHOWS ITS NEAR DESPERATION INTENT AVOID BREAK IN WHEAT SUPPLIES AND NEED
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PAGE 02 KHARTO 02067 141211Z

TO SHOW PUBLIC IT TAKING STEPS MEET BASIC COMMODITY NEEDS.

THIS FURTHER HIGHLIGHTS IMPACT (NOTED REFTEL) WHICH WOULD RESULT FROM FAVORABLE USG DECISION ON GOS REQUEST FOR ADDITIONAL CCC CREDITS. EVEN IF LATE FOR CURRENT PURCHASE (AND WITH FINANCING STILL IN DOUBT POSSIBILITY EXISTS THAT GOS WILL NOT GO AHEAD WITH THIS CONTRACT), SUCH DECISION WOULD BE SIGN OF USG SUPPORT IN VITAL AREA AND CREDITS WOULD BE EXPENDED QUICKLY, PROBABLY EARLY NEXT YEAR.
FRITTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KHARTO02067
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KHARTOUM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730934/aaaaazdj.tel
Line Count: 69
Locator: TEXT ON-LINE
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: KHARTOUM 1604 AND SUBSEQUENT
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 14 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14-Jan-2002 by kelleyw0>; APPROVED <04-Feb-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUDANESE WHEAT PURCHASES
TAGS: ETRD, EAGR, SU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005